

INDUSTRY PERSPECTIVE ON THE USG TECHNOLOGY TRANSFER PROCESS

Greg Hill
Corporate Export Management

NORTHROP GRUMMAN



Who We Are...

Northrop Grumman is the second largest US defense contractor with \$26 Billion in annual revenues, eight business sectors, operating sites in all 50 states and 25 foreign countries, and over 120,000 employees

What We Do...



NORTHROP GRUMMAN

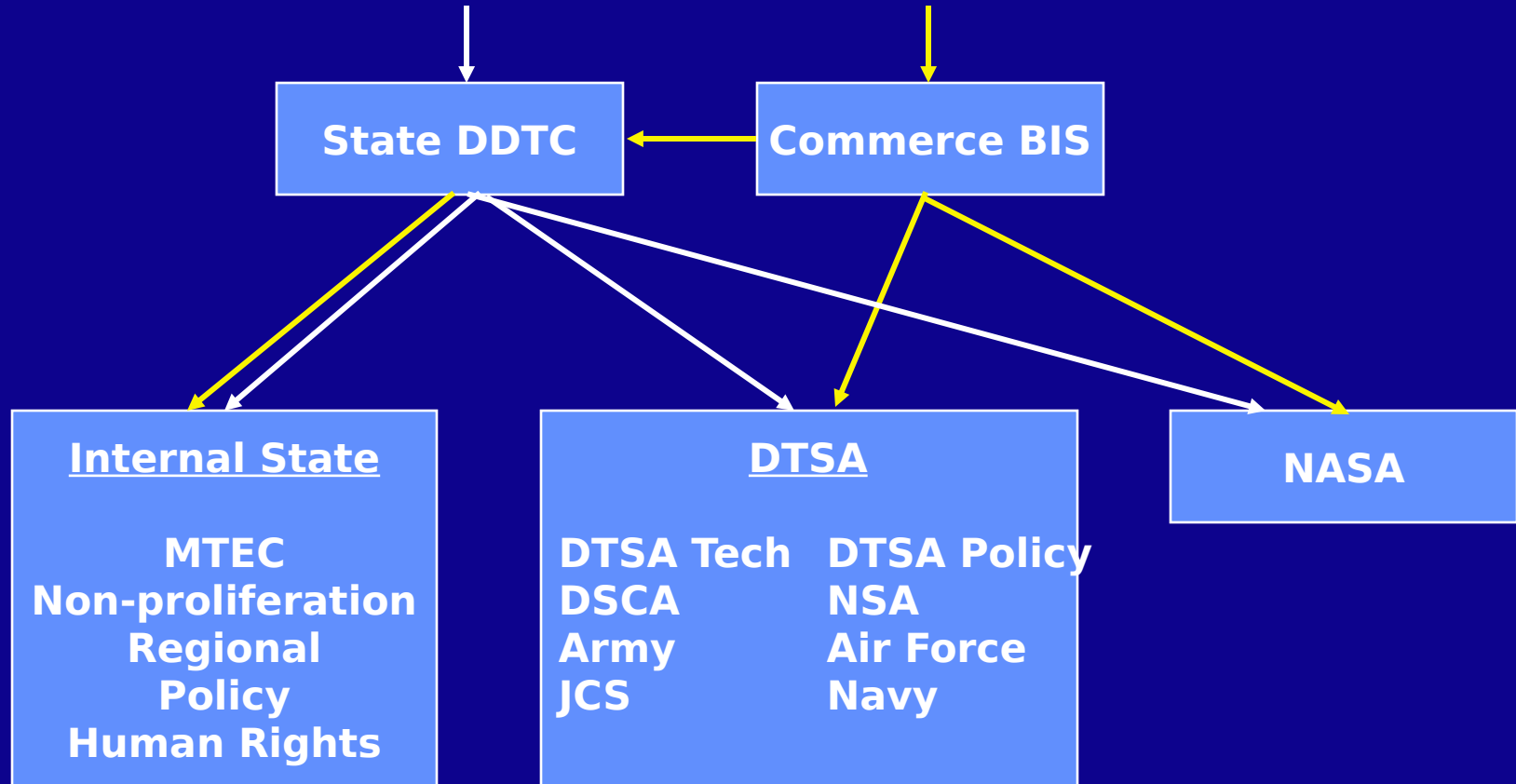
Our International Business

- **Over \$3 Billion per year in overseas business**
 - **Includes end-item sales, overseas technical agreements, and manufacturing**
 - **Does not include overseas involvement in US programs**
- **Approximately 2500 license and agreement applications reviewed by the USG per year**

The Rules for International Business

- **The Arms Export Control Act**
 - **International Traffic in Arms Regulations (State Department)**
 - **United States Munitions List**
- **The Export Administration Act**
 - **Export Administration Regulations (Commerce Department)**
 - **Commodity Control List**

The License Request Review Process



Approximate Review Timelines

- **DDTC published FY02 median review times**
 - 8 days for non-staffed requests, 51 days for staffed requests
- **DTSA levies a 25 working day suspense for DoD review agencies**
 - **Average time at DoD: 32 days**

Major Technical Transfer Policies

- **Missile Technology Control Regime (MTCR)**
 - Owned by State; proliferation of long range missiles
- **National Disclosure Policy (NDP-1)**
 - Owned by OSD; classified information
- **DoDI S-5230.28 (Low Observable/Counter-low observable policy)**
 - Owned by OUSD(AT&L); RF and IR technology
- **DoD and Service Weapon Specific Policies**
 - Covers just about everything made by any defense contractor

Issues with Technology Transfer

- **DTSI Initiative streamlined process**
 - However, DoD no longer holds licenses to allow company to address release policy issues during the review process
- **Too many USG fingers in the review pie**
 - Provisos levied on license from agencies that are not cognizant or have no understanding of the system
- **Lack of flow down from top level guidance on programs to implemented tech transfer policies**
- **Lack of government understanding, outside of the license approval apparatus, on the ITAR and release policy processes**
 - The USG policy community owns the keys to the technology transfer front door

Improving Technology Transfer

- **Understand that defense contractors are bound by the ITAR and the EAR ... they are the law**
- **The USG policy community owns the keys the technology transfer front door**
- **Work with the policy apparatus up front to ensure the policies are in place to provide the level of technology transfer needed**